

EXHIBIT I

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MAYNARD, COOPER & GALE, P.C.

ATTORNEYS AT LAW
1801 SIXTH AVENUE NORTH
2400 AM-SOUTH/MARGARET PLAZA
BIRMINGHAM, ALABAMA 35203-2618
REG# 184-1000
FACSIMILE 205/223-2618

James M. Pool

Direct Dial No. (205) 224-1053

December 29, 2000

VIA FACSIMILE (334/242-2335)

Mr. Ted Hosc
Governor's Office
State of Alabama
State Capitol Building
Montgomery, AL 36130

Re: Alabama Education Foundation (the "Foundation")

Dear Ted:

You have asked whether a contribution made to the Foundation in the following situation is reportable pursuant to the Alabama Fair Campaign Practices Act (Ala. Code 17-22A-1 et seq., the "Act").

I am aware that in March of this year, the Foundation amended its Articles of Incorporation to provide that it would no longer engage in election-related activities, thus ending its involvement with political campaign activities. You have indicated that, in fact, the Foundation has not engaged in such activities either through fund-raising or through election-related expenditures. However, the Foundation has incurred a debt since that time for activities related to any election purpose or any other purpose as described in the Act. An offer has been made to pay that debt, and you have asked whether such payment must be reported pursuant to the Act.

Pursuant to the Act, a "political committee" is an entity that "receives or anticipates receiving contributions or makes or anticipates making expenditures to or on behalf of any elected official, proposition, candidate, principal campaign committee or other political committee." It appears that the better argument is that since the Foundation amended its Articles of Incorporation and, in fact, no longer engages in any such activities, it is not a political committee pursuant to the Act. Since only political committees are required to report to the Secretary of State contributions pursuant to

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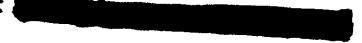
the fact it appears that based on these facts, contributions made to or on behalf of the Foundation should not be subject to such reporting requirements.

Of course, the Foundation continues to be an entity exempt from taxation pursuant to Section 501(c)(4) of the Internal Revenue Code, so it will likely be required to file a Form 990 with the IRS, which form requires reporting certain contributions.

If you have any further questions, please feel free to call.

Very truly yours,


James M. Pool

cc: Nick Bailey (via facsimile): 

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